

Bureau du
vérificateur
général

VI. Appendices



VI.1. Appendix 1 – Excerpts from the *Cities and Towns Act*

VI. APPENDICES

VI.1. APPENDIX 1 – EXCERPTS FROM THE *CITIES AND TOWNS ACT*

IV.1. — *Chief auditor*

Chief auditor.	107.1. The council of every municipality having 100,000 inhabitants or more shall have an officer called the chief auditor. 2001, c. 25, s. 15.
Term.	107.2. The chief auditor shall, by a resolution approved by a two-thirds majority of the votes of the members of the council, be appointed for a term of seven years. The term may not be renewed. 2001, c. 25, s. 15.
Ineligibility.	107.3. In no case may the following persons act as chief auditor: 1) a member of the council of the municipality and, where applicable, of a borough council; 2) the associate of a member mentioned in subparagraph 1; 3) a person who, personally or through an associate, has any direct or indirect interest in a contract with the municipality or a legal person referred to in paragraph 2 of section 107.7.
Disclosure of interest.	The chief auditor shall disclose in every report produced any situation that could cause a conflict between the chief auditor's personal interest and duties of office. 2001, c. 25, s. 15.
Inability or vacancy.	107.4. If the chief auditor is unable to act, or if the office of chief auditor is vacant, the council shall, 1) not later than at the sitting following the inability to act or the vacancy, designate a person qualified to replace the chief auditor, for a period of not more than 180 days; 2) not later than at the sitting following the inability or the vacancy, or not later than at the sitting following the expiry of the period fixed under paragraph 1, appoint a new chief auditor in accordance with section 107.2. 2001, c. 25, s. 15.
Expenses.	107.5. The budget of the municipality shall include an appropriation to provide for payment of a sum to the chief auditor to cover the expenses relating to the exercise of the chief auditor's duties.
Amount of appropriation.	Subject to the third paragraph, the appropriation must be equal to or greater than the product obtained by multiplying the total of the other appropriations provided for in the budget for operating expenses by 1) 0.17% where the total of those appropriations is less than \$100,000,000; 2) 0.16% where the total of those appropriations is at least \$100,000,000 and less than \$200,000,000;

	<p>3) 0.15% where the total of those appropriations is at least \$200,000,000 and less than \$400,000,000;</p> <p>4) 0.14% where the total of those appropriations is at least \$400,000,000 and less than \$600,000,000;</p> <p>5) 0.13% where the total of those appropriations is at least \$600,000,000 and less than \$800,000,000;</p> <p>6) 0.12% where the total of those appropriations is at least \$800,000,000 and less than \$1,000,000,000;</p> <p>7) 0.11% where the total of those appropriations is at least \$1,000,000,000.</p>
Exception.	<p>Where the budget of the municipality provides for appropriations for operating expenses related to the operation of a system of production, transmission or distribution of electric power, 50% only of those appropriations shall be taken into account in establishing the total of the appropriations referred to in the second paragraph.</p> <p>2001, c. 25, s. 15; 2001, c. 68, s. 5.</p>
Duties.	<p>107.6. The chief auditor is responsible for the application of the municipality's policies and standards relating to the management of the human, material and financial resources assigned to auditing.</p> <p>2001, c. 25, s. 15.</p>
Duties.	<p>107.7. The chief auditor shall audit the accounts and affairs</p> <ol style="list-style-type: none"> 1) of the municipality; 2) of every legal person in respect of which the municipality or a mandatary of the municipality holds more than 50% of the outstanding shares or voting shares or appoints more than 50% of the members of the board of directors. <p>2001, c. 25, s. 15.</p>
Audit.	<p>107.8. The audit of the affairs and accounts of the municipality and of any legal person referred to in paragraph 2 of section 107.7 comprises, to the extent considered appropriate by the chief auditor, financial auditing, auditing for compliance of their operations with the Acts, regulations, policies and directives, and auditing for value-for-money.</p>
Audit.	<p>The audit must not call into question the merits of the policies and objectives of the municipality or legal persons referred to in paragraph 2 of section 107.7.</p>
Documents and information.	<p>The chief auditor in the performance of his duties is authorized</p> <ol style="list-style-type: none"> 1) to examine any document concerning the affairs and accounts relating to the objects of the audit; 2) to require from any employee of the municipality or any legal person referred to in paragraph 2 of section 107.7 all information, reports and explanations the chief auditor considers necessary. <p>2001, c. 25, s. 15; 2001, c. 68, s. 6.</p>
Audit.	<p>107.9. Any legal person receiving an annual subsidy from the municipality of at least \$100,000 is required to have its financial statements audited.</p>

Copy.	The auditor of a legal person not referred to in paragraph 2 of section 107.7 that receives an annual subsidy from the municipality of at least \$100,000 shall transmit to the chief auditor a copy of <ol style="list-style-type: none"> 1) the annual financial statements of the legal person; 2) the auditor's report on the statements; 3) any other report summarizing the auditor's findings and recommendations to the board of directors or the officers of the legal person.
Documents and information.	That auditor shall also, on the request of the chief auditor, <ol style="list-style-type: none"> 1) place at the disposal of the chief auditor any document relating to the auditor's audit and its results; 2) provide all information and explanations the chief auditor considers necessary concerning the auditor's audit and its results.
Additional audit.	Where the chief auditor considers that the information, explanations and documents provided by an auditor under the second paragraph are insufficient, the chief auditor may conduct such additional audit as he considers necessary. 2001, c. 25, s. 15.
Audit.	107.10. The chief auditor may conduct an audit of the accounts or documents of any person having received financial assistance from the municipality or from a legal person referred to in paragraph 2 of section 107.7, as regards the use made of such assistance.
Accounts and documents.	The municipality and the person having received the financial assistance are required to furnish to or place at the disposal of the chief auditor any accounts and documents that the chief auditor considers relevant to the performance of the chief auditor's duties.
Information.	The chief auditor is authorized to require from any officer or employee of the municipality or from any person having received financial assistance any information, reports and explanations the chief auditor considers necessary to the performance of the chief auditor's duties. 2001, c. 25, s. 15.
Audit.	107.11. The chief auditor may conduct an audit of the pension plan or pension fund of a pension committee of a municipality or a legal person referred to in paragraph 2 of section 107.7 where the committee requests the chief auditor to do so with the approval of the council. 2001, c. 25, s. 15.
Duties.	107.12. The chief auditor shall, every time the council so requests, investigate and report on any matter within the competence of the chief auditor. In no case, however, may the investigation take precedence over the primary responsibilities of the chief auditor. 2001, c. 25, s. 15.

Report.	<p>107.13. Not later than 31 August each year, the chief auditor shall transmit to the council a report presenting the results of the audit for the fiscal year ending on the previous 31 December and indicate any fact or irregularity the chief auditor considers expedient to mention, in particular in relation to</p> <ol style="list-style-type: none"> 1) control of revenue including assessment and collection; 2) control of expenditure, including authorization, and compliance with appropriations; 3) control of assets and liabilities including related authorizations; 4) accounting for operations and related statements; 5) control and safeguard of property owned or administered; 6) acquisition and utilization of resources without sufficient regard to economy or efficiency; 7) implementation of satisfactory procedures to measure and report effectiveness in cases where it is reasonable to do so.
Report.	<p>The chief auditor may also, at any time, transmit to the council a report of the findings and recommendations that, in the opinion of the chief auditor, warrant being brought to the attention of the council before the filing of the annual report.</p> <p>2001, c. 25, s. 15.</p>
Report.	<p>107.14. The chief auditor shall report to the council on the audit of the financial statements of the municipality and the statement fixing the aggregate taxation rate.</p>
Report.	<p>In the report, which shall be transmitted to the treasurer not later than 31 March, the chief auditor shall state, in particular, whether</p> <ol style="list-style-type: none"> 1) the financial statements faithfully represent the municipality's financial position on 31 December and the results of its operations for the fiscal year ending on that date; 2) the effective aggregate taxation rate was fixed in accordance with Division III of Chapter XVIII.1 of the <i>Act respecting municipal taxation</i> (chapter F-2.1). <p>2001, c. 25, s. 15; 2006, c. 31, s. 16.</p>
Report.	<p>107.15. The chief auditor shall report to the boards of directors of the legal persons referred to in paragraph 2 of section 107.7 on the audit of the financial statements before the expiry of the time within which they are to produce their financial statements.</p>
Report.	<p>In the report, the chief auditor shall state, in particular, whether the financial statements faithfully represent their financial position and the results of their operations at the end of their fiscal year.</p> <p>2001, c. 25, s. 15.</p>
Testimony.	<p>107.16. Notwithstanding any general law or special Act, neither the chief auditor nor the employees under the chief auditor's direction or the professionals under contract may be compelled to give testimony relating to any information obtained in the performance of their duties or to produce any document containing such information.</p>

Immunity.	Neither the chief auditor nor the employees under the chief auditor's direction may be prosecuted by reason of any act they have done or failed to do in good faith in the performance of their duties.
Immunity.	No civil action may be instituted by reason of the publication of a report of the chief auditor prepared under this Act or of the publication in good faith of an extract or summary of such a report.
Immunity.	Except on a question of jurisdiction, no recourse under article 33 of the Code of Civil Procedure (chapter C-25) or extraordinary recourse within the meaning of that Code may be exercised nor any injunction granted against the chief auditor, the employees under the chief auditor's direction or the professionals under contract acting in their official capacity.
Annulment.	A judge of the Court of Appeal, on a motion, may summarily annul any proceeding instituted or decision rendered contrary to the provisions of the first paragraph. 2001, c. 25, s. 15.
Audit committee.	107.17. The council may establish an audit committee and determine its composition and powers.
Audit committee of the urban agglomeration of Montréal.	Despite the first paragraph, in the case of the urban agglomeration of Montréal, the council must establish an audit committee composed of not more than 10 members appointed on the proposal of the mayor of the central municipality. Two of the committee members must be council members representing the reconstituted municipalities. Those two members shall take part in deliberations and votes of the committee on any matter related to an urban agglomeration power.
Opinions and information of the committee.	In addition to the other powers that may be entrusted to it, the committee established in the case of the urban agglomeration of Montréal shall submit opinions to the urban agglomeration council on the requests, findings and recommendations of the auditor general concerning the urban agglomeration. It shall also inform the auditor general of the interests and concerns of the urban agglomeration council with respect to the audit of the accounts and affairs of the central municipality. On an invitation by the committee, the auditor general or a person designated by the auditor general may attend a sitting and take part in deliberations. 2001, c. 25, s. 15; 2008, c. 19, s. 11.

V. — *External auditor*

External auditors.	108. The council shall appoint an external auditor for not more than three fiscal years, except in the case of a municipality with a population of 100,000 or more, where the external auditor shall be appointed for three fiscal years. At the end of the term, the external auditor shall remain in office until replaced or reappointed.
Information sent to the Minister.	If the external auditor appointed for a fiscal year is not the external auditor in office for the preceding fiscal year, the clerk shall inform the Minister of Municipal Affairs and Regions of the name of the new external auditor as soon as possible after his appointment. R. S. 1964, c. 193, s. 104; 1975, c. 66, s. 11; 1984, c. 38, s. 11; 1995, c. 34, s. 12; 1996, c. 27, s. 12; 1999, c. 43, s. 13; 2001, c. 25, s. 17; 2003, c. 19, s. 110, s. 250; 2005, c. 28, s. 196.
Vacancy.	108.1. If the office of the external auditor becomes vacant before the expiry of his term, the council shall fill the vacancy as soon as possible. 1984, c. 38, s. 11; 2001, c. 25, s. 18; 2003, c. 19, s. 111.
Duties.	108.2. Subject to section 108.2.1, the external auditor shall audit, for the fiscal year for which he was appointed, the financial statements, the statement fixing the aggregate taxation rate and any other document determined by the Minister of Municipal Affairs and Regions by regulation published in the <i>Gazette officielle du Québec</i> .
Report.	The auditor shall make a report of his audit to the council. He shall state in his report, in particular, whether 1) the financial statements faithfully represent the municipality's financial position on 31 December and the results of its operations for the fiscal year ending on that date; 2) the effective aggregate taxation rate was fixed in accordance with Division III of Chapter XVIII.1 of the <i>Act respecting municipal taxation</i> (chapter F-2.1). 1984, c. 38, s. 11; 1996, c. 2, s. 209; 1999, c. 43, s. 13; 2001, c. 25, s. 19; 2003, c. 19, s. 250; 2005, c. 28, s. 196; 2006, c. 31, s. 17.
Duties.	108.2.1. In the case of a municipality having 100,000 inhabitants or more, the external auditor shall audit, for each fiscal year for which the external auditor has been appointed, 1) the accounts relating to the chief auditor; 2) the financial statements of the municipality and any document determined by the Minister of Municipal Affairs and Regions by regulation published in the <i>Gazette officielle du Québec</i> .
Report.	The external auditor shall make a report of the audit to the council. The external auditor shall state in the report on the financial statements, in particular, whether the financial statements faithfully represent the municipality's financial position on 31 December, and the results of its operations for the fiscal year ending on that date. 2001, c. 25, s. 20; 2001, c. 68, s. 7; 2003, c. 19, s. 250; 2005, c. 28, s. 196.

Report to the treasurer.	108.3. The external auditor shall transmit to the treasurer, not later than 31 March following the expiry of the fiscal year for which the external auditor was appointed, the report referred to in section 108.2 or, as the case may be, the report referred to in subparagraph 2 of the first paragraph of section 108.2.1.
Report to the council.	The report referred to in subparagraph 1 of the first paragraph of section 108.2.1 shall be transmitted to the council on the date determined by the council. 1984, c. 38, s. 11; 2001, c. 25, s. 21.
Audits.	108.4. The council may require any other audit it considers necessary, and require a report. 1984, c. 38, s. 11.
Access to books and information.	108.4.1. The external auditor shall have access to the books, accounts, securities, documents and vouchers and may require the employees of the municipality to furnish any information and explanations necessary for the performance of the external auditor's mandate. 2001, c. 25, s. 22.
Documents.	108.4.2. The chief auditor shall place at the disposal of the external auditor all books, statements and other documents prepared or used by the chief auditor during the audit conducted under section 107.7 and that the external auditor considers necessary to carry out his mandate. 2001, c. 25, s. 22; 2005, c. 28, s. 49.
Ineligibility.	108.5. In no case may the following persons act as external auditor of the municipality; 1) a member of the council of the municipality and, where applicable, of a borough council; 2) an officer or an employee of the municipality; 3) the associate of a person mentioned in paragraph 1 or 2; 4) a person who, during the fiscal year for which the audit is carried out, has, directly or indirectly, personally or through his associate, any participation, interest or commission in or under a contract with the municipality or in respect of such a contract, or who derives any benefit from the contract, unless his connection with the contract arises from the practice of his profession. 1984, c. 38, s. 11; 1996, c. 2, s. 209; 1999, c. 40, s. 51; 2001, c. 25, s. 23.
Partnership.	108.6. The external auditor may be an individual or a partnership. The external auditor may entrust his employees with his work but his responsibility is then the same as if he had performed all the work personally. 1984, c. 38, s. 11; 1999, c. 40, s. 51; 2001, c. 25, s. 24.

VII. — *Director general*

- Status. **113.** The director general is the chief officer of the municipality.
- Authority. The director general has authority over all the other officers and employees of the municipality, except the chief auditor, who reports directly to the council. With respect to an officer or employee whose duties are prescribed by law, the authority of the director general is exercised only within the framework of his duties as the administrator of human, material and financial resources of the municipality and may in no case hinder the carrying out of duties that are prescribed by law.
- Suspension. The director general may suspend an officer or employee from his duties. He shall immediately make a report of the suspension to the council. The council shall decide the case of the suspended officer or employee, after inquiry.
R. S. 1964, c. 193, s. 109; 1968, c. 55, s. 5; 1983, c. 57, s. 50; 2001, c. 25, s. 27.

VI.2. Appendix 2 – List of Audit Reports Issued (Financial Statements or Other Financial Data)

VI.2. APPENDIX 2 – LIST OF AUDIT REPORTS ISSUED (FINANCIAL STATEMENTS OR OTHER FINANCIAL DATA)

The audit of the financial statements of the City of Montréal as at December 31st 2009, allowed us, as well as the external auditors, to issue an unqualified report in this respect.

By the time this report went to press, we had also produced a number of unqualified audit reports on financial statements or financial information, as listed here:

	2009	2008
Conseil des arts de Montréal	X	
Conseil interculturel de Montréal		X
Fonds des conduits souterrains		
Office de consultation publique de Montréal		X
Office municipal d'habitation de Montréal	X	
Tableau des dépenses mixtes – Ville de Montréal	X	
Taux global de taxation	X	
Anjou 80	X	
La Corporation d'habitations Jeanne-Mance	X	
La Société de transport de Montréal (covérificateur)	X	
Société d'habitation et de développement de Montréal	X	
Société de gestion Marie-Victorin	X	
Société du parc Jean-Drapeau	X	

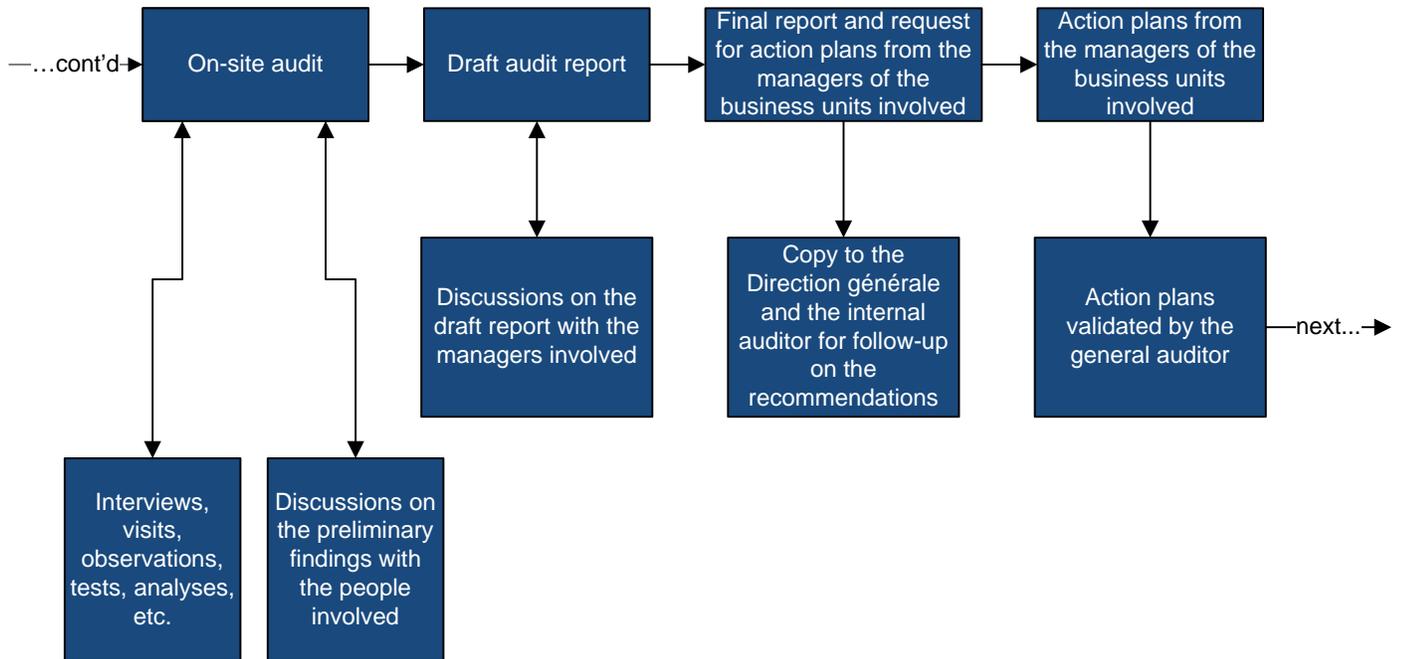
VI.3. Appendix 3 – Employees of the General Auditor's Office as of December 31st 2009

VI.3. APPENDIX 3 – EMPLOYEES OF THE GENERAL AUDITOR'S OFFICE AS OF DECEMBER 31ST 2009

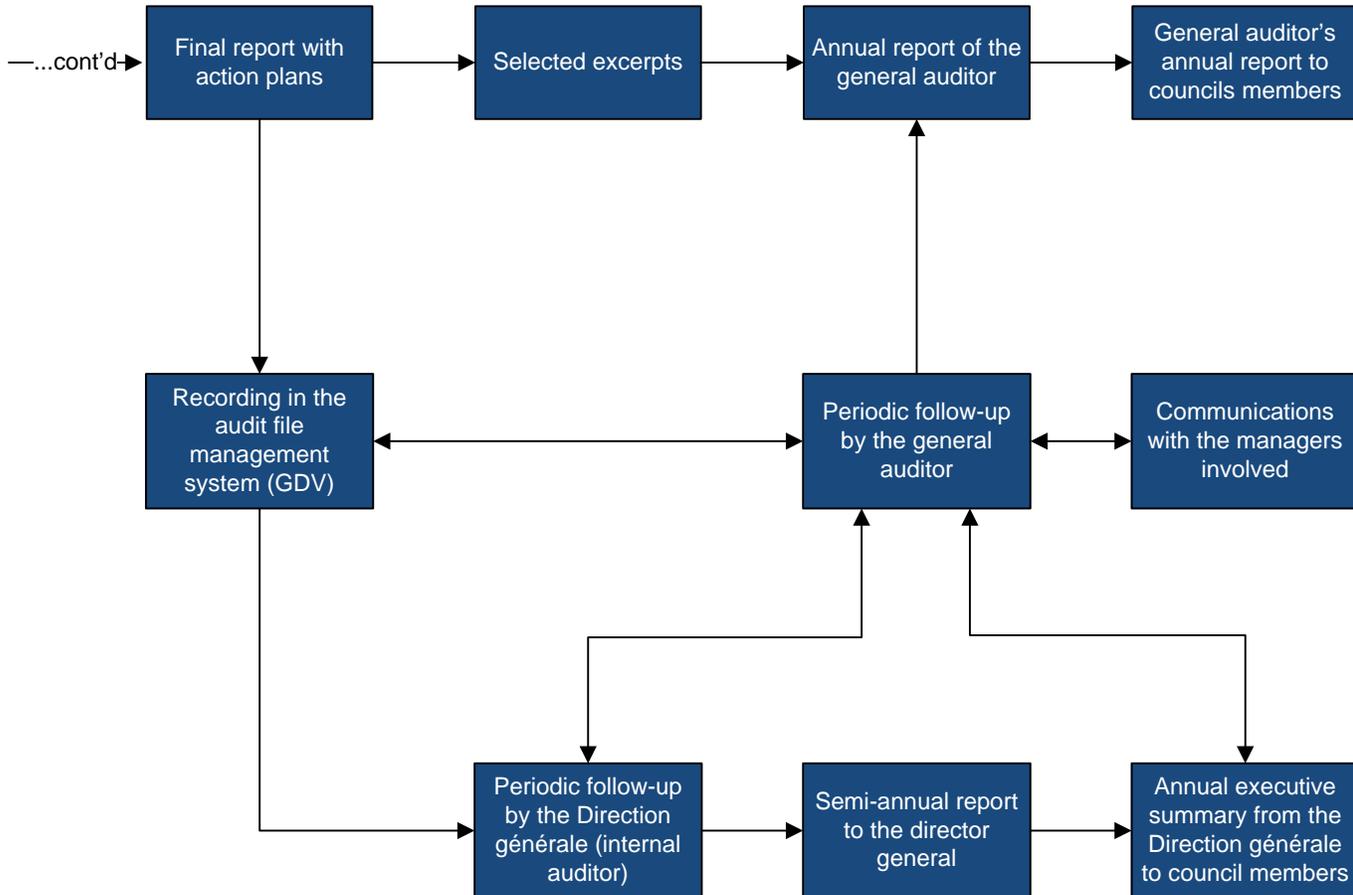
General auditor of the City of Montréal and director Jacques Bergeron, CA, MBA, M. SC.	Executive secretary Josiane Mauriello
Assistant general auditors Robert Duquette, CA Denis Tremblay, CGA Serge Vaillancourt, CGA	Administrative support France Benny
	Programmer Yolaine Levasseur
Audit professionals Martine Beauregard, CGA Régent Bilodeau, CGA Johanne Boudreau, BAA Jacques Brisson, CA, CISA Maryse Brunetta, CGA Marie Cormier, CA Julien Faucher André Gagnon, CMA, CISA (on union leave) Lucie Gauthier, CGA Bernard Goyette, CGA, CMA Gilles Grimard, CGA Jocelyne Laperrière, CA Éric Laviolette, CA Chantal L'Heureux, CGA Joanne Major, CA Victor Marchand, CGA, CISA Philippe Pitre, CGA Michel Proulx, CGA Ronel Rocher, CGA André Sergerie, CA André St-Pierre, CGA (on union leave)	

VI.4. Appendix 4 – Information Flow Charts – Value-for-money Audit

AUDITING AND REPORTS



ANNUAL REPORT AND FOLLOW-UPS



VI.5. Appendix 5 – Schedule of Expense Accounts of the General Auditor's Office

Schedule of Expense Accounts of the

**General Auditor's Office of the
Ville de Montréal**

December 31, 2009

Auditors' Report

To the Mayor,
the Chairman and Members of the Executive Committee,
the Members of the Council of the Ville de Montréal,
the Members of the Montréal Agglomeration Council

In compliance with the provisions of section 108.2.1 of the *Act respecting cities and towns*, we audited the expense accounts related to the Office of the General Auditor of the Ville de Montréal ("the City") for the year ended December 31, 2009. This financial information is the responsibility of the City's administration. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, these expense accounts, in the amount of \$5,723,073, present fairly, in all material respects, the costs incurred by the Office of the General Auditor of the City during the year ended December 31, 2009 in accordance with generally accepted accounting principles for local governments published by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, as described in Note 2 to the financial statements of the City.

*Samson Bélair/Deloitte & Touche s.e.n.c.r.l.*¹

March 15, 2010

¹Chartered accountant auditor permit No. 18190

SCHEDULE OF EXPENSE ACCOUNTS OF THE GENERAL AUDITOR'S OFFICE OF THE VILLE DE MONTRÉAL

year ended December 31, 2009
(in thousands of dollars)

	Budget ⁽¹⁾	Actual	Actual
	2009	2009	2008
	\$	\$	\$
Compensation of personnel			
Salaries	2,330	2,451	2,722
Fringe benefits	819	634	741
	3,149	3,085	3,463
Professional, technical and administrative services	2,237	2,106	696
Other operating expenses	577	532	504
TOTAL	5,963	5,723	4,663

⁽¹⁾ Approved budget, as modified, presented in the accounting system of the Ville de Montréal for the Office of the General Auditor and approved by the executive committee of the Ville de Montréal.

This schedule of expense accounts of the Office of the General Auditor of the Ville de Montréal was prepared in accordance with Canadian generally accepted accounting principles for local governments published by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, according to the same accounting policies described in Note 2 to the financial statements of the Ville de Montréal for the year ended December 31, 2009.